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SUBJECT: UNEMPLOYMENT INCREASING AMONG DUTCH MUSLIMS

REF: THE HAGUE 02993

1. (U) SUMMARY. Unemployment among the almost 700,000 ethnic Turks and Moroccans in the Netherlands is high and rising. While the overall unemployment level in the country stabilized last year at 6.5 percent, survey data presented this week show that unemployment among the Turkish and Moroccan immigrant groups has increased dramatically, especially among youth. Senior government officials responsible for this issue do not see these numbers as a challenge to existing policy. However, parliament is showing increased support for integration policies focused on immigrant entry into the job market. END SUMMARY

2. (U) The Dutch growth miracle of the late 1990s brought unemployment among the large groups of ethnic minorities in the Netherlands down from over 30 percent in 1995 to below 10 percent in 2002. With a large share of non-western immigrants working on temporary contracts, however, the economic downturn of the last three years has wiped out these gains almost completely. Data released this week by the GONL's Social and Cultural Planning Office (SCP) show a dramatic increase of unemployment among Turks to 21 percent in the first half of 2005, after it appeared to have stabilized at 14 percent in 2004. Unemployment among Moroccans is on a consistently upward trend, with the latest SCP data placing it at 27 percent.

3. (U) Turkish and Moroccan youths have been hit especially hard, with unemployment among these groups increasing from 24 percent in 2004 to 39 percent in the first half of 2005. The chance of being unemployed is now higher for ethnic Turks and Moroccans born in the Netherlands than it is for their parents who were the original immigrants. Those outside the labor market are finding it increasingly hard to break in, which could negatively affect the previous trend toward an increasing number of educated second generation Turks and Moroccans succeeded in getting more senior positions than their parents, who came here as less-educated guest workers. (See Reftel for previous reporting.)

4. (U) In a debate this week with Labor Secretary van Hoof and Integration Minister Verdonk, parliament called for measures to address the excessively high unemployment rate among immigrant youth. Parliamentarians expressed concern that high unemployment was a primary factor in the recent riots in France, arguing that unemployment hurts integration, and blaming Minister Verdonk for a lack of ambition in finding solutions to this problem. Van Hoof and Verdonk stressed that the government already supports a range of initiatives to counter unemployment among immigrant youth.

COMMENT - Shift toward employment-focused approach

5. (U) Given the current slack labor market situation, employers can pick and choose whom they hire. The inexperienced and less-educated immigrants are often on the short end of the stick. Currently, there is no consensus about which policies are most effective in fighting unemployment among immigrant youths. A more fundamental question is which policy is most effective in promoting the integration of immigrants. In recent years, the government has shifted the focus of its integration policy from promoting employment to a more comprehensive effort at social and cultural integration. When presenting the above data findings, the SCP urged the GONL to go back to the employment-focused approach, advice that appears to gaining support within the parliament.

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